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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 ~~OR 15(d)~~
OF THE SECURITIES EXCHANGE ACT OF 1934

L92-2228

For Quarter Ended May 31, 1992 Commission File Number 0-12353

PROCESSED BY
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PLASMA-THERM, INC.
Exact name of registrant as specified in its charter)

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NEW JERSEY	04-2554632
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)

L-3Q

9509 INTERNATIONAL COURT, ST. PETERSBURG, FLORIDA 33716
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code (813) 577-4999

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, par value $.01 per share	8,083,561
Class	Outstanding at July 6, 1992

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PLASMA-THERM, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS	May 31, 1992 (unaudited)	November 30, 1991 (audited)
Current assets		
Cash and cash equivalents	$ 2,376,835	$ 2,146,832
Accounts receivable	1,859,324	2,973,089
Refundable income taxes	73,700	73,700
Inventories	4,966,009	4,235,625
Prepaid expenses and other	85,890	64,467
	9,361,758	9,493,713
Investment in non-consolidated subsidiary	1,589,371	1,604,202
Property and equipment, at cost		
Machinery and equipment	1,896,734	2,107,841
Transportation equipment	170,834	170,834
Leasehold improvements	808,022	803,210
	2,875,590	3,081,885
Less accumulated depreciation and amortization	1,540,315	1,377,963
	1,335,275	1,703,922
Other assets	235,435	22,033
	$12,521,839	$12,823,870

See accompanying notes to the consolidated financial statements.

PLASMA-THERM, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES	May 31, 1992 (unaudited)	November 30, 1991 (audited)
Current liabilities		
Short-term borrowings	$ 113,749	$ 168,136
Current portion of long-term debt	377,804	427,039
Current portion of convertible debt	-	151,389
Accounts payable	751,662	1,062,510
Income taxes payable	97,323	-
Accrued expenses	549,623	521,813
Accrued payrol	238,894	238,293
Customer deposits	10,000	-
	2,139,055	2,569,180
Long-term debt		
Long-term debt, less current portion	495,316	675,618
SHAREHOLDERS' EQUITY		
Shareholders' equity		
Common stock		
$.01 par value		
Authorized - 12,000,000 shares		
Issued and outstanding - 8,075,561 shares-1992 and 7,990,261 shares-1991	80,757	79,903
Additional paid-in capital	8,744,360	8,756,926
Retained earnings	1,179,781	883,798
Cumulative translation adjustment	(117,430)	(141,555)
	9,887,468	9,579,072
	$12,521,839	$12,823,870

See accompanying notes to the consolidated financial statements.

PLASMA-THERM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended May 31,		Six Months Ended May 31,	
	1992	1991	1992	1991
Net Sales	$ 3,914,315	$ 4,742,646	$ 8,122,857	$ 9,187,570
Costs and expenses				
Cost of products sold	2,323,967	3,052,251	4,845,115	5,663,611
Research & development	273,084	366,845	547,120	775,812
Selling & administrative	1,110,097	1,678,642	2,192,018	3,158,961
Interest expense	27,646	52,994	65,967	126,248
Other (income) expense, net	(14,335)	(24,145)	(577)	(54,300)
	3,720,459	5,126,587	7,649,643	9,670,332
Income (loss) before loss of non-consolidated subsidiary	193,856	(383,941)	473,214	(482,762)
Income (loss) of non-consolidated subsidiary	(367)	89,833	(100,231)	(158,920)
Income (loss) before income taxes	193,489	(294,108)	372,983	(641,682)
Income taxes (benefit)	34,500	(21,400)	77,000	(71,000)
Net income (loss)	$ 158,989	$(272,708)	$ 295,983	$(570,682)
Income (loss) per share	$ .02	$(.03)	$ .04	$(.07)
Weighted average number of shares outstanding	8,120,592	8,173,911	8,109,187	8,127,467

See accompanying notes to the consolidated financial statements.

PLASMA-THERM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended May 31	
	1992	1991
Cash flows from operating activities		
Net income (loss)	$ 295,983	$(570,682)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Depreciation and amortization	246,065	402,103
Compensation	(44,494)	9,546
Other adjustments	20,000	(2,252)
Loss of non-consolidated subsidiary	100,231	158,920
Tax benefit allocated to non-consolidated subsidiary	(15,000)	(10,700)
Gain on sale of assets	(169,533)	-
Changes in assets and liabilities		
Decrease in accounts receivable	1,113,765	502,248
(Increase) in inventories	(730,384)	(517,366)
(Increase) in prepaid expenses and other	(21,423)	(198,032)
Decrease in accounts payable and accrued liabilities	(272,437)	(97,218)
Increase (decrease) in income taxes payable	97,321	(224,265)
Net cash provided (used) by operating activities	620,096	(547,698)
Cash flows from investing activities		
Capital expenditures	(46,235)	(100,077)
Increase in other assets	(213,402)	(5,852)
Sale of equipment	338,350	-
Net cash provided (used) in investing activities	78,713	(105,929)

Continued

PLASMA-THERM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Unaudited)

Cash flows from financing activities		
Proceeds from issuance of long-term debt	750,000	-
Payments of long-term debt	(1,130,926)	(491,928)
Net payments under line of credit agreements	(54,387)	(58,137)
Sale of common stock	32,781	10,934
Increase in investment in non-consolidated subsidiary	(66,400)	(663,212)
Net cash used in financing activities	(468,932)	(1,202,341)
Effect of exchange rate changes on cash	126	(26,458)
NET (INCREASE)DECREASE IN CASH	230,003	(1,882,428)
Cash at beginning of period	2,146,832	3,435,396
Cash at end of period	$2,376,835	$1,552,968

See accompanying notes to the consolidated finanacial statements.

PLASMA-THERM, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MAY 31, 1992 AND NOVEMBER 30, 1991

Note 1 In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position as of May 31, 1992 and November 30, 1991, the results of operations for the three months and six months ended May 31, 1992 and 1991 and the statements of cash flows for the six months ended May 31, 1992 and 1991.

The results of operations for the three months and six months ended May 31, 1992 and 1991 are not necessarily indicative of results for the full year.

While the Company believes that the disclosures presented are adequate to make the information not misleading, it is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and the notes included in the Company's latest annual report on Form 10-K.

Note 2 The consolidated financial statements include the accounts of Plasma-Therm, Inc. (the Company) and its wholly owned domestic and foreign subsidiaries. All significant intercompany transactions and balances have been eliminated. On June 21, 1991, the Company's Board of Directors approved a plan to spin off the Company's RF Plasma Products, Inc. (RF Plasma) wholly-owned subsidiary to the shareholders of the Company, in the form of a tax free dividend. The Company has requested and received a ruling from the Internal Revenue Service that this distribution will not be taxable to the Company's shareholders.

Note 2 (cont'd) The Company's investment in and the results of operations of RF Plasma are reflected in the Company's consolidated financial statements on the equity method as RF Plasma is now a temporary investment that the Company anticipates distributing to its shareholders during fiscal 1992. Prior year financial statements have been restated accordingly. As a part of the spin-off, approximately $1,915,000 of RF Plasma's indebtedness to the Company has been contributed as capital, subject to adjustment as defined by the parties. Summary financial information of RF Plasma is contained in note 5.

Note 3 Earnings (loss) per share is computed based on the weighted average number of shares of common stock, adjusted for the conversion of dilutive common stock equivalents. The assumed conversion of the previously outstanding convertible debt and outstanding warrants, if included in the computation of the fully diluted earnings per share, would be anti-dilutive.

Note 4 During the first half of fiscal 1992, options to purchase 85,300 shares of the Company's common stock were exercised under the Company's stock option plan. As a result, shareholders' equity increased by $32,781. Also, the Company's additional paid-in capital decreased by $44,494 due to the exercise of the options and the estimated compensation decrease incurred under the plan.

Note 5 Summary Financial Information of Unconsolidated Subsidiary and Affiliate Transactions

Condensed financial information for RF Plasma (note 2) consists of the following:

Statements of Operations - Unaudited

	Three Months Ended May 31,		Six Months Ended May 31,	
	1992	1991	1992	1991
Net Sales	$ 2,150,525	$ 2,166,139	$ 4,161,097	$ 3,553,993
Costs and expenses	2,150,892	2,076,306	4,261,328	3,712,913
Income (loss) before income taxes	(367)	89,833	(100,231)	(158,920)
Income taxes (benefit) allocated by the parent	(6,300)	6,100	(15,000)	(10,700)
Net income (loss)	$ 5,933	$ 83,733	$(85,231)	$(148,220)

Balance Sheets

	May 31, 1992 (Unaudited)	November 30, 1991 (Audited)
Current assets	$ 2,989,986	$ 2,427,215
Fixed assets	197,530	222,263
Other	10,039	10,039
	3,197,555	2,659,517
Current liabilities	1,383,274	1,016,576
Long-term liabilities	224,910	38,739
Shareholder's equity	1,589,371	1,604,202
	$ 3,197,555	$ 2,659,517

In addition to the losses of RF Plasma, the Company has also contributed capital (note 2) of $66,400 and $859,624 in the six months ended May 31, 1992 and the year ended November 30, 1991, respectively.

Note 5
(cont'd)

Included in accounts receivable of the Company at May 31, 1992 and November 30, 1991 are net amounts due from RF Plasma of $2,988 and $18,471, respectively. Transactions with RF Plasma consist of the following:

	Three Months Ended May 31,		Six Months Ended May 31,	
	1992	1991	1992	1991
Sales to RF Plasma	$ 132,602	$ 150,289	253,551	$212,114
Purchases from RF Plasma	149,231	275,469	334,081	458,203

Included in other assets on the Company's balance sheet at May 31, 1992 is a note receivable due from RF Plasma of $200,000. The loan is to be repaid in equal monthly installments of $5,000 commencing May 1, 1993 through August 1, 1996. Interest at the prime rate plus 1% is to be paid monthly. The loan is secured by a lien on RF Plasma's inventory.

ITEM 2. **Management's Discussion and Analysis of Financial Condition and Results of Operations**

FINANCIAL POSITION, LIQUIDITY AND CAPITAL REQUIREMENTS

The Company's cash balance and working capital at May 31, 1992 increased by $230,000 and $298,000, respectively as compared to November 30, 1991. The changes in certain individual working capital components reveal (1) a reduction in accounts receivable due in part to lower current shipment levels; (2) a $730,000 inventory increase of which approximately $400,000 is earmarked for new internal laboratory systems; and (3) a reduction in trade payables of $272,000.

The Company used $435,000 to repay loans during the period, including the final payment on its convertible debts. As a result, the conversion rights attached to those loans were terminated, unexercised. In addition, the Company loaned its soon to be spun-off subsidiary, RF Plasma, $200,000 in the form of a long-term note secured by RF Plasma's inventory.

The Company has extensive ongoing capital requirements for research and development, the repayment of debt, capital equipment and inventory. The Company believes that its current cash reserves, together with working capital expected to be generated by operations and additional funds available under its line of credit, should be sufficient to meet its capital requirements for the immediate future.

Given the current weak economic conditions, management is closely monitoring overhead in an effort to keep it in line with revenue and to maintain sufficient working capital.

RESULTS OF OPERATIONS

Sales for the three months ended May 31, 1992 declined by $828,000 or 17%, as compared to the same period in fiscal 1991. For the six months ended May 31, 1992 revenues decreased by $1,065,000, or 12%, versus the first half of fiscal 1991. These decreases were primarily due to reduced unit shipments of large, high priced batch systems. Somewhat offsetting the lower 1992 revenues was an improved gross profit percentage in part due to design modifications which generated cost savings.

Despite the aforementioned sales decline, the Company in 1992 generated income before and after reflecting the losses of its non-consolidated subsidiary. In fiscal 1991 the comparable before and after figures were losses. The vastly improved 1992 performance is attributable to a significant reduction in overhead initiated in the latter part of 1991.

Also contributing to the higher 1991 overhead were the operating costs of the Company's European operation. Beginning in the second half of 1991, that operation was downsized. Accordingly, the fiscal 1992 periods reflect reduced costs for that operation as compared to fiscal 1991.

Comparable operating results for the non-consolidated subsidiary reveal reduced 1992 losses. The improvement results from a 17% increase in sales which was somewhat offset by increased administrative expenses, including costs associated with the pending spin-off.

Primarily due to tax credit carryforwards of approximately $582,000 for tax purposes as of November 30, 1991, the Company's effective federal tax rate is below the statutory rate.

The Financial Accounting Standards Board has issued a new statement "Accounting for Income Taxes", which the Company must adopt by its fiscal year 1994. At the present time, the Company is undecided as to when it will adopt the new statement. The impact on the financial statements has not been determined.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits ..... N/A

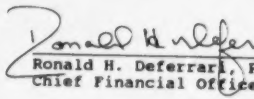
(b) No reports on Form 8-K were filed during the second quarter of fiscal 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PLASMA-THERM, INC.

Dated: July 13, 1992



Ronald H. Deferrari, President and
Chief Financial Officer